

ANNUAL REPORT



CONTAINER CORPORATION OF AMERICA

CHICAGO, ILLINOIS

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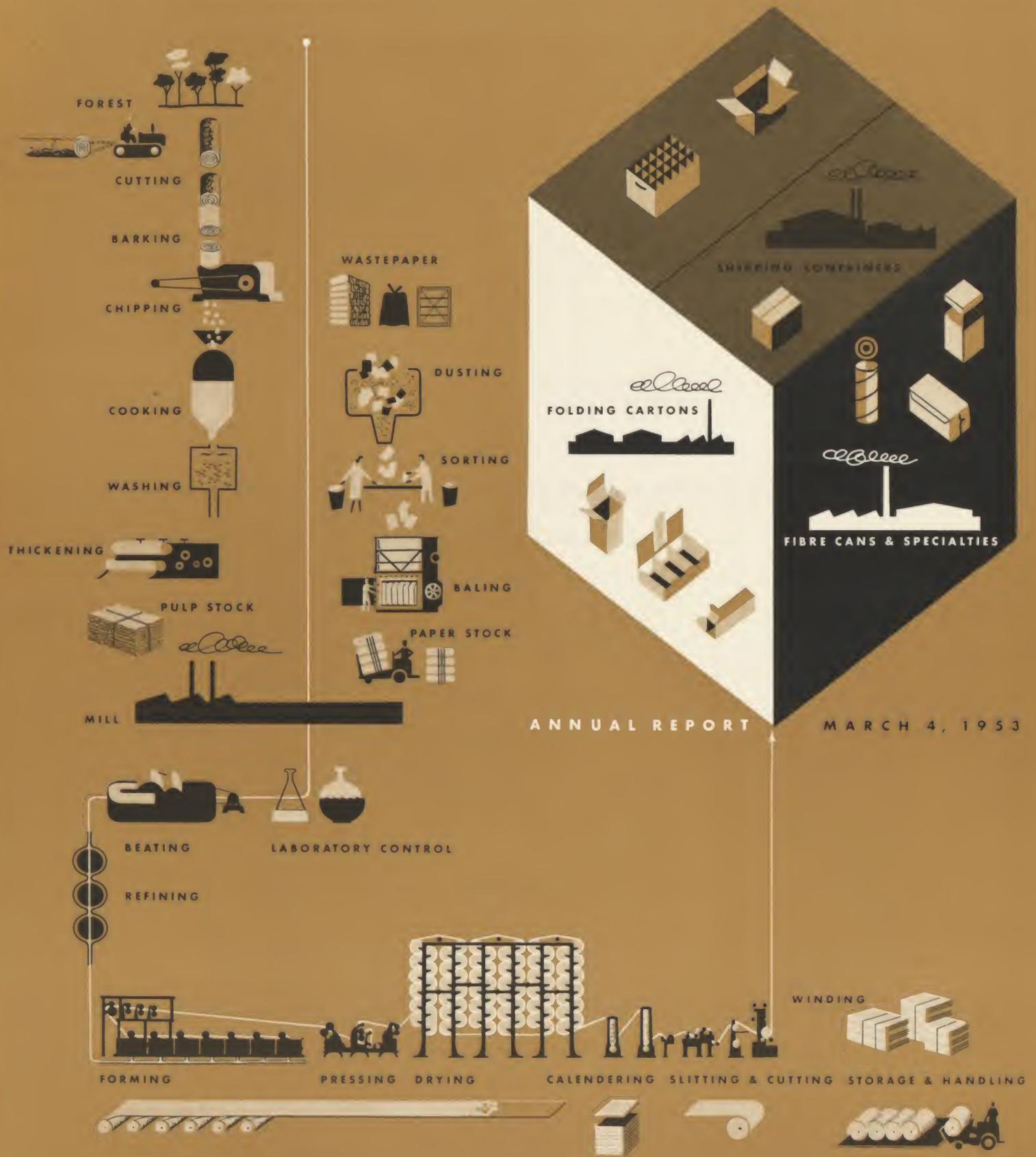
FISCAL YEAR ENDED DECEMBER THIRTY-FIRST

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Anderson

The Annual Meeting of the shareholders will be held on Wednesday, April 8, 1953. A notice of the meeting, together with a form of proxy and a proxy statement, will be mailed to shareholders on or about March 13, 1953, at which time proxies will be requested by the management.

MAKING PAPERBOARD



CONTAINER CORPORATION OF AMERICA
38 SOUTH DEARBORN STREET, CHICAGO 3, ILLINOIS

DIRECTORS *WILLIAM R. BASSET, Greenwich, Connecticut
JOHN E. BIERWIRTH, New York, New York
HENRY B. CLARK, San Diego, California
WESLEY M. DIXON, Chicago, Illinois
JOHN L. DOLE, Chicago, Illinois
RICHARD G. IVEY, London, Ontario, Canada
**WILLIAM P. JEFFERY, New York, New York
IRA C. KELLER, Chicago, Illinois
WALTER P. PAEPCKE, Chicago, Illinois
JOHN V. SPACHNER, Chicago, Illinois

EXECUTIVE COMMITTEE *WILLIAM R. BASSET RICHARD G. IVEY
JOHN E. BIERWIRTH **WILLIAM P. JEFFERY
WESLEY M. DIXON WALTER P. PAEPCKE

OFFICERS Chairman of the Board, WALTER P. PAEPCKE
President, WESLEY M. DIXON
Executive Vice President, IRA C. KELLER
Executive Vice President, JOHN V. SPACHNER
†Vice President, DONALD H. BREWER
Vice President, LAURENCE T. McCURDY
Vice President, JOHN G. ROBINSON
Vice President, FRANK J. SAUER
††Vice President, LEO H. SCHOENHOFEN
Vice President, JOHN D. SPENCE
Controller, CARL M. BLUMENSCHEN
Treasurer, PAUL W. GUENZEL
Secretary, EARL A. WAGONSELLER
Assistant Controller, EDWARD J. STOUT
Assistant Treasurer, ARTHUR R. JOHNSON
Assistant Secretary, HANS J. GREVEN
Assistant Secretary, CLARENCE H. SEELEY

TRANSFER AGENTS CONTAINER CORPORATION OF AMERICA, Chicago, Illinois
CITY BANK FARMERS TRUST COMPANY, New York, New York

REGISTRARS CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST
COMPANY, Chicago, Illinois
THE NEW YORK TRUST COMPANY, New York, New York

*Deceased January 9, 1953

**Deceased October 31, 1952

†Elected December 11, 1952

††Elected October 2, 1952

OFFICERS OF SUBSIDIARY AND FOREIGN COMPANIES

O. B. ANDREWS COMPANY Chairman of the Board, JOHN V. SPACHNER
President, GEORGE W. BOH
*1st Vice President and Treasurer, WILLIAM M.
O' MALLEY
2nd Vice President, OLIVER B. ANDREWS, JR.

CALIFORNIA CONTAINER CORPORATION Chairman of the Board, IRA C. KELLER
**Vice Chairman of the Board, JOHN G. ROBINSON
President, WILLIAM P. HOOKER
Treasurer, PAUL W. GUENZEL
Secretary, EARL A. WAGONSELLER
Controller, GERALD C. WEILAND

PIONEER PAPER STOCK COMPANY President and Treasurer, ARTHUR U. CLAGHORN
Vice President, ARTHUR J. FURTH
Vice President, EDWIN I. ORR
Secretary, HARRY C. PEARSON

SEFTON FIBRE CAN COMPANY Chairman of the Board, IRA C. KELLER
President, ALBERT J. BAUMGARDT
Vice President, RALPH B. BUSCH

CARTON INTERNACIONAL, S. A. President, WALTER P. PAEPCKE
Vice President, WESLEY M. DIXON
Vice President, JOHN V. SPACHNER
Vice President, FRANK C. CARDER
Treasurer, PAUL W. GUENZEL
Secretary, DR. CARLOS ICAZA A.

CARTON DE COLOMBIA, S. A. President, DR. EDUARDO URIBE BOTERO
General Manager, FRANK C. CARDER

CARTOENVASES DE MEXICO, S. A. President, JOSE MARIA GOMEZ
Treasurer and Secretary, SANTIAGO GOMEZ

A GLANCE AT THE LAST FIVE YEARS

| | 1952 | 1951 | 1950 | 1949 | 1948 |
|--|--|--|--|--|--|
| Sales..... | \$178,408,152 | \$212,562,019 | \$154,841,198 | \$114,770,627 | \$131,056,327 |
| Tons shipped..... | 833,536 | 914,861 | 863,888 | 673,038 | 725,798 |
| Earnings per common share.... | \$10,282,948 \$5.01 | \$12,065,997 \$5.91 | \$12,016,626 \$5.87 | \$8,777,328 \$4.23 | \$10,424,593 \$5.06 |
| Dividends paid and declared..... per cent of earnings .. preferred (per share) . common (per share)... percent to sharehold- ers' investment . . . | \$5,813,447 57% \$4.00 \$2.75 7% | \$5,813,657 48% \$4.00 \$2.75 8% | \$5,838,327 49% \$4.00 \$2.75 9% | \$4,355,086 50% \$4.00 \$2.00 7% | \$4,856,033 47% \$4.00 \$2.25 8% |
| Earnings retained for requirements of the business..... | \$4,469,501 | \$6,252,340 | \$6,178,299 | \$4,422,242 | \$5,568,560 |
| Depreciation..... | \$3,668,041 | \$3,543,809 | \$3,045,298 | \$2,731,924 | \$2,507,074 |
| Factory and paper mill improvements..... | \$5,475,585 | \$6,984,301 | \$6,430,681 | \$5,594,884 | \$7,942,579 |
| Working capital (liquid funds less current payables)..... | \$28,848,239 | \$24,643,414 | \$22,594,037 | \$20,805,637 | \$18,748,467 |
| Taxes (Federal, state, and local)..... per common share.... | \$22,742,572 \$11.48 | \$27,868,542 \$14.07 | \$12,828,886 \$6.48 | \$7,531,478 \$3.80 | \$7,968,025 \$4.02 |
| Hourly wages paid..... | \$34,379,418 | \$35,335,515 | \$31,026,068 | \$23,549,362 | \$25,291,473 |
| Shareholders' investment per employee..... | \$6,498 | \$6,241 | \$5,416 | \$6,250 | \$5,412 |

CONTAINER CORPORATION OF AMERICA
AND SUBSIDIARY COMPANIES
CHICAGO, ILLINOIS, MARCH 4, 1953

TO THE SHAREHOLDERS AND EMPLOYEES OF
CONTAINER CORPORATION OF AMERICA

The Annual Report of Container Corporation of America and subsidiary companies for the year ended December 31, 1952, together with the Auditors' Certificate, Consolidated Balance Sheet, and statements of Consolidated Income and Earnings Retained for Requirements of the Business, is submitted to you herewith.

A GLANCE AT THE LAST FIVE YEARS on the opposite page gives you a comparative summary.

FINANCIAL REVIEW

EARNINGS. Consolidated net earnings after all charges, including provisions for depreciation and Federal, state, and local taxes were \$10,282,948 for 1952, compared with \$12,065,997 for 1951. The earnings on each share of the outstanding common stock, after providing for preferred stock dividends, were \$5.01 for 1952 contrasted with \$5.91 for 1951. The lower earnings were largely due to a 16% decline in sales volume. This, in turn, reflected an actual lower volume of business, as well as lower selling prices on most commodities shipped by the Company. Raw material costs were on the whole lower than the previous year's, while wages, salaries, and the general costs of doing business were higher.

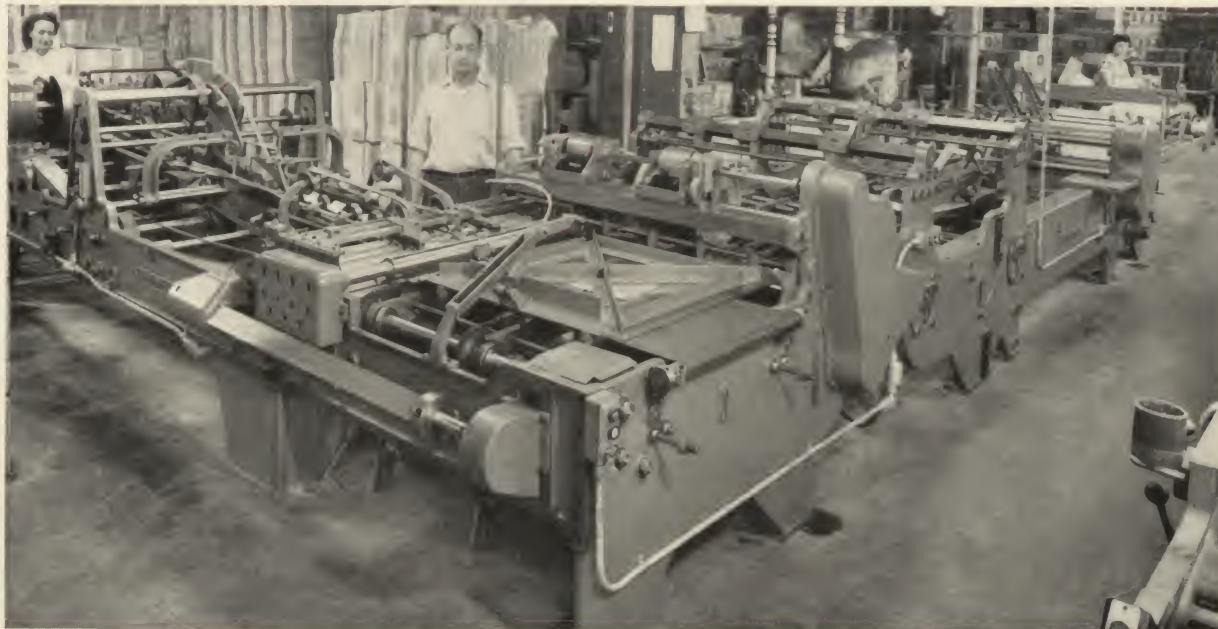
Because of the lower pre-tax earnings, Federal income taxes amounted to \$20,100,000, or \$10.15 per share, compared with \$25,050,000 in 1951, or \$12.65 per share. The effective rate of Federal income taxes was 66.2% for 1952 and 67.5% for 1951. The Excess Profits tax base for 1952 was \$16,587,000 or \$3.83 per share and for 1953 is estimated to be \$17,160,000, or \$3.98 per common share.

Quarterly earnings per share on the outstanding common stock are tabulated below:

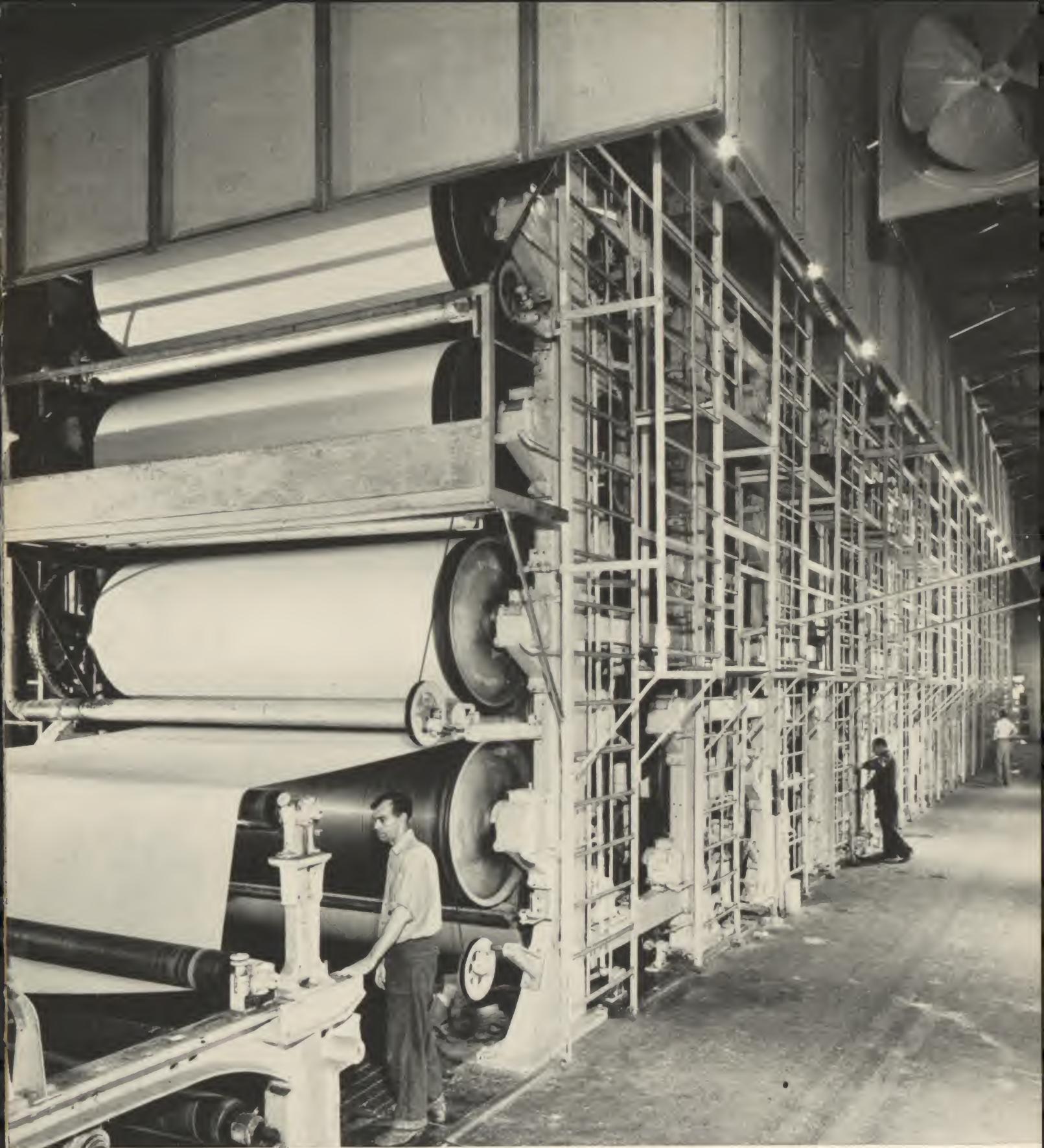
| | |
|-------------------|----------------------|
| 1st Quarter | \$1.36 |
| 2nd Quarter | 1.22 |
| 3rd Quarter | 1.19 |
| 4th Quarter | 1.24 |
| | <u><u>\$5.01</u></u> |

The following dividends were paid during 1952:

| Preferred Stock | Common Stock |
|-----------------------|----------------------------|
| March 1..... \$1.00 | March 3..... \$.50 |
| June 1..... 1.00 | May 20..... .50 |
| September 1..... 1.00 | August 20..... .50 |
| December 1..... 1.00 | November 20..... .50 |
| | December 29—extra..... .75 |
| <u><u>\$4.00</u></u> | <u><u>\$2.75</u></u> |



New right-angle machine for the gluing of specialty packages at the folding carton factory in Philadelphia.

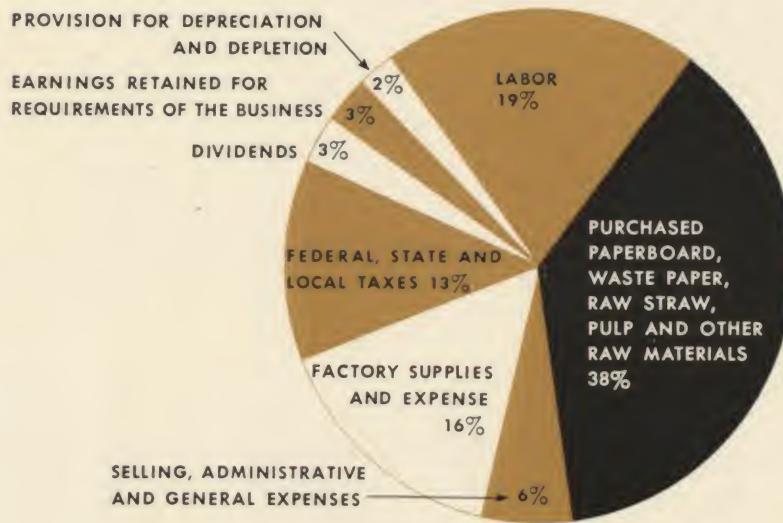


Recently rebuilt boxboard machine at the Wabash, Indiana mill.

A three year summary of operating results presents the following comparison:

| | 1952 | 1951 | 1950 |
|--|---------------|---------------|---------------|
| Sales..... | \$178,408,152 | \$212,562,019 | \$154,841,198 |
| Earnings before Federal taxes on income..... | \$ 30,382,948 | \$ 37,115,997 | \$ 22,696,626 |
| Provision for Federal income and excess profits taxes..... | 20,100,000 | 25,050,000 | 10,680,000 |
| Net earnings for the year..... | \$ 10,282,948 | \$ 12,065,997 | \$ 12,016,626 |

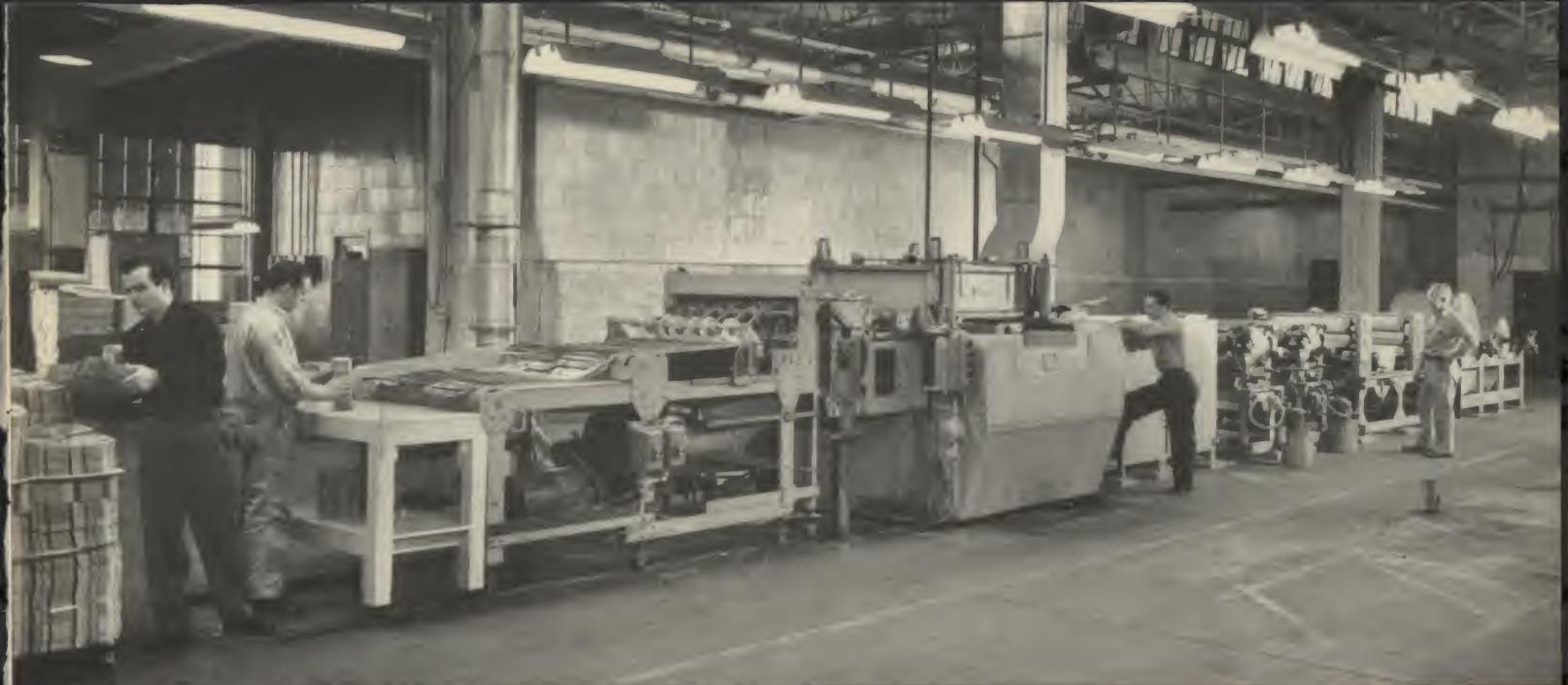
Provision for depreciation reached an all time high of \$3,628,417. Depreciation rates were the same as those used in previous years; however, the increase in fixed assets accounts for the greater amount of depreciation provided. In 1952, \$39,624 of owned timber was cut. This depletion of timber is substantially below the amount of growth of timber in the timberlands owned by your Company. Again, as in previous years, the great majority of the pulpwood used was purchased from a large number of small suppliers, so that in this last year 93% of the Company's pulpwood requirements were purchased and only 7% cut from owned timberlands.



Repair and maintenance amounted to \$10,041,668, which was \$3,193,044 less than the preceding year, in spite of the fact that the cost of labor and materials used in repairing and maintaining buildings, machinery, and equipment was again higher than before.

An analysis of the Company's sales dollar appears in both the diagram and the tabulation, which also includes a comparison with the previous year in amounts and percentages.

| | 1952 | | 1951 | |
|---|---------------|------|---------------|------|
| | \$178,408,152 | 100% | \$212,562,019 | 100% |
| Sales..... | | | | |
| Purchased paperboard, waste paper, raw straw, pulp and other raw materials..... | \$ 67,173,461 | 38% | \$ 90,862,280 | 42% |
| Labor..... | 34,379,418 | 19 | 35,335,515 | 17 |
| Factory supplies and expense..... | 29,771,341 | 16 | 33,146,550 | 16 |
| Provision for depreciation and depletion..... | 3,668,041 | 2 | 3,543,809 | 2 |
| Selling, administrative, and general expenses..... | 10,390,371 | 6 | 9,739,326 | 4 |
| Federal, state, and local taxes..... | 22,742,572 | 13 | 27,868,542 | 13 |
| Dividends..... | 5,813,447 | 3 | 5,813,657 | 3 |
| Earnings retained for requirements of the business.... | 4,469,501 | 3 | 6,252,340 | 3 |



New aniline web-fed, two color rotary press which prints, cuts and strips in one operation, installed at the Chicago Lake Shore folding carton factory.



Addition to the folding carton factory at Lake Shore, Chicago.

There appears below a statement of disposition of earnings and other corporate funds:

Funds were provided from the following sources:

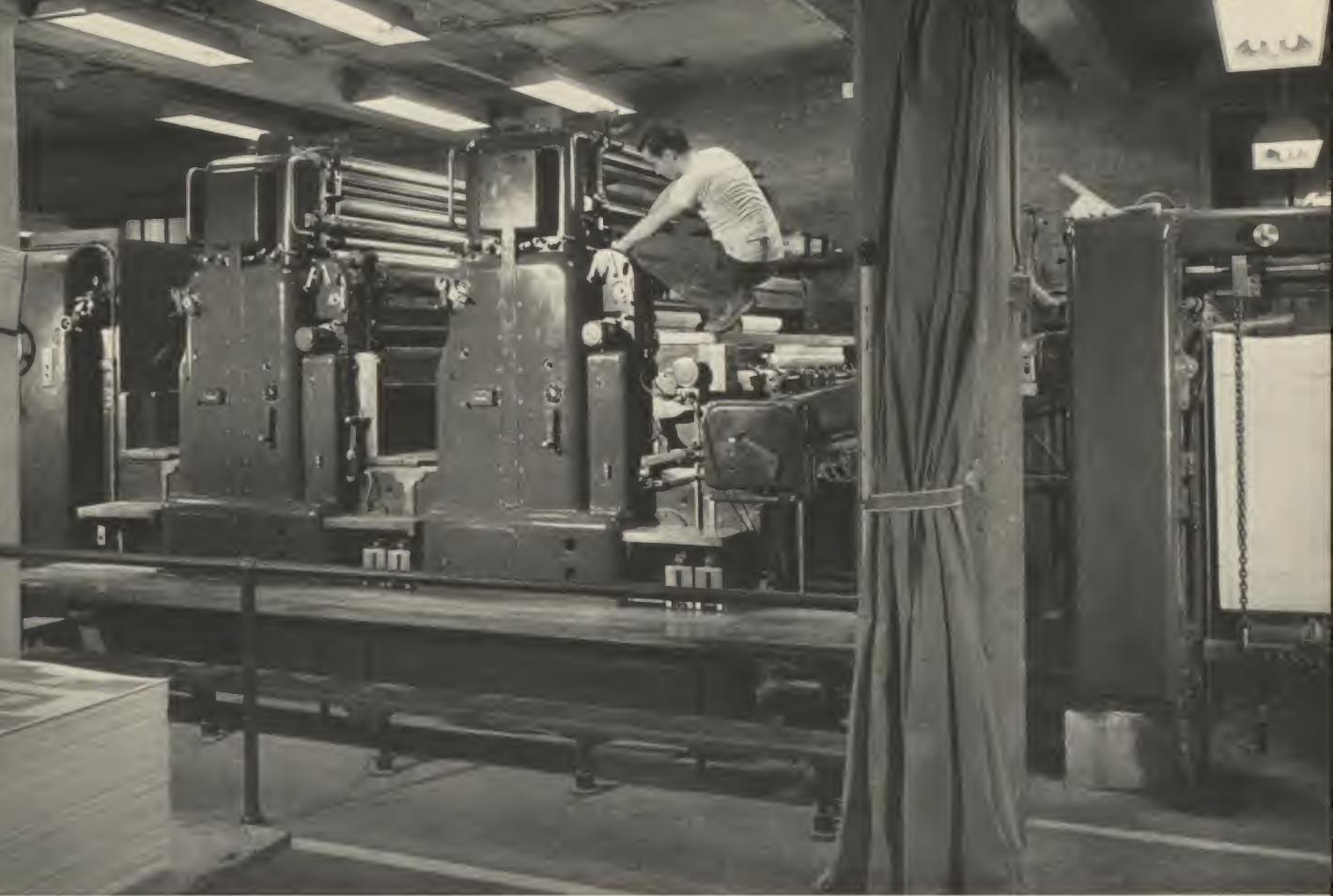
| | |
|--|------------------|
| Earnings for the year..... | \$10,282,948 |
| Expense item which did not require cash expenditures— | |
| Provision for depreciation (includes depletion of \$39,624). | 3,668,041 |
| Decrease in funds set aside for improvements..... | <u>2,578,779</u> |
| Total funds provided..... | \$16,529,768 |

Funds were expended or segregated for the following:

| | |
|--|-------------------------------|
| Dividends | |
| 4% Cumulative preferred stock..... | \$ 365,840 |
| Common stock..... | <u>5,447,607</u> \$ 5,813,447 |
| Plant and equipment | |
| Additions..... | \$5,475,585 |
| Less net book value of sales, retirements and reclassification | <u>281,238</u> 5,194,347 |
| Increase in preferred stock sinking fund provision..... | 304,170 |
| Increase in other investments and advances..... | 54,642 |
| Increase in deferred charges..... | <u>958,337</u> \$12,324,943 |
| Resulting in an increase in working capital of..... | \$ 4,204,825 |

WORKING CAPITAL. The changes in working capital are analyzed as follows:

| | December 31 | | Increase or Decrease (d) |
|--|---------------------|---------------------|-----------------------------|
| | 1952 | 1951 | |
| CURRENT ASSETS: | | | |
| Cash..... | \$ 6,912,393 | \$ 7,208,535 | \$ 296,142 (d) |
| U. S. Government securities..... | 8,288,198 | 3,059,559 | 5,228,639 |
| Accounts receivable..... | 8,619,054 | 8,559,391 | 59,663 |
| Inventories..... | 12,100,069 | 11,688,373 | 411,696 |
| Total current assets..... | <u>\$35,919,714</u> | <u>\$30,515,858</u> | <u>\$5,403,856</u> |
| CURRENT LIABILITIES: | | | |
| Accounts payable..... | \$ 2,016,989 | \$ 1,580,387 | \$ 436,602 |
| Accrued wages, etc..... | 3,227,033 | 2,704,233 | 522,800 |
| Accrued taxes..... | 1,398,128 | 1,440,449 | 42,321 (d) |
| Provision for Federal taxes on income..... | * | * | — |
| Dividends payable..... | 91,330 | 91,550 | 220 (d) |
| Sinking fund payments due within a year..... | <u>337,995</u> | <u>55,825</u> | <u>282,170</u> |
| Total current liabilities..... | <u>\$ 7,071,475</u> | <u>\$ 5,872,444</u> | <u>\$1,199,031</u> |
| Net working capital..... | <u>\$28,848,239</u> | <u>\$24,643,414</u> | <u>\$4,204,825</u> |
| Current ratio..... | 5.08 to 1 | 5.20 to 1 | |
| *Provision for Federal taxes on income..... | \$22,435,957 | \$27,090,251 | |
| Less U. S. Treasury Notes..... | <u>22,435,957</u> | <u>27,090,251</u> | |



High speed, two-color offset press recently installed at the Thirty-fifth Street folding carton factory in Chicago.

There was a net increase in working capital of \$4,204,825. You will note that the net increase in cash and U. S. Government securities aggregated \$4,932,497. Receivables were \$59,663 higher, and inventories increased \$411,696. Current liabilities were \$1,199,031 more than a year ago. At this point it may be well to direct your attention to the fact that your Company for years has followed a practice of keeping sufficient U. S. Treasury Notes on hand to offset its entire provision for Federal income tax liability. It seems clear that some time in the future when a period of less active and less profitable business occurs, following an era of higher earnings and taxes, it will be comforting to know that tax payments can be met out of these previously set aside funds, rather than out of cash on hand.

CAPITALIZATION. There were no changes in the capital structure of the Company. There were in the treasury 2,670 shares of preferred stock at December 31, 1952. Additional shares were purchased on the market in January 1953. 3,000 shares have now been set aside for the 1952 sinking fund requirements.

EARNINGS RETAINED FOR REQUIREMENTS OF THE BUSINESS. This account was credited with the earnings for the year of \$10,282,948. Preferred dividends in the amount of \$365,840, at the rate of 4%, and common dividends of \$5,447,607, equal to \$2.75 per share were declared during the year and deducted from this account. Preferred and common dividends represented 57% of the net earnings. The difference between the additions and deductions resulted in a net addition of \$4,469,501.

SHAREHOLDERS. At the year end the Company had 11,269 individual shareholders exclusive of brokers, institutions, and corporations. The average number of shares owned by individuals was 119. The largest single ownership of all classifications was less than 5% of the total number of outstanding shares of common stock. The widespread ownership of shares is indicated by the fact that over 50% of the common shares of the Company were held by owners of 400 shares or less. Every one of the 48 states of the United States is represented in the ownership of shares of the Company; also 16 foreign countries mostly in Europe and South America.

OPERATIONS

CAPITAL IMPROVEMENTS. In 1952 capital expenditures amounted to \$5,475,585, or \$1,508,716 less than the preceding year. You will note that the cash and U. S. Government securities set aside for improvements showed a decrease of \$2,578,779. This fund was originally established for the building of the boxboard mill in Los Angeles and for capital additions at Fernandina, Florida for increased production in the pulp mill and the manufacture of high quality corrugating medium to be used in the manufacture of corrugated shipping containers. The Los Angeles mill was completed in the fall of 1951. The work at the Fernandina mill, contrary to expectations, has not as yet been completed, as various delays were experienced in the delivery of equipment and materials; within the next six months, however, barring further unforeseen delays, the project should be completed.

At the Lake Shore mill and folding carton factory in Chicago a new modern printing and cutting press for the production of folding cartons was installed and additional building space was provided to increase the capacity for producing folding cartons in this integrated paperboard mill and fabricating operation.

The new folding carton factory at Oaks, Pennsylvania, just outside of Philadelphia, also experienced some construction delays, but should begin operations during the second quarter of this year. The cost of this project will continue to be included in the Deferred Charge account until payment is received from the insurance company under the sale and lease-back arrangement.

In many fabricating plants which produce corrugated and solid fibre shipping containers and folding cartons, new printer-slotters, stitchers, gluing machines and printing presses were added, which in some cases increased capacity and in others improved quality or costs. Paperboard mills too were provided with additional equipment.

The new waste paper sorting and handling plant of the Pioneer Paper Stock Company on Elston Avenue, Chicago was completed in the early part of 1953. In January the first operations began in this new building, and since then additional transfer of activity from the old to the new location has been taking place. It is confidently expected that this new, ultra modern building will permit a substantial increase of capacity and considerably lower costs.

At the year end approximately \$4,000,000 of previously approved but incompletely capital expenditures were carried over, compared with unfinished projects of approximately \$6,325,000 a year ago. The reduction is due to the fact that no additional major projects were approved during 1952. This does not imply that during the present year some new major expenditures may or may not be considered or approved.



Corrugated shipping containers made in various factories of the Company.

Other corrugated shipping containers made in the factories of the Company.



Provision for depreciation, without any change in rate, has increased during the last six years from \$1,756,156 in 1947 to \$3,668,041 in 1952.

PRODUCTION. The following table shows the tons of pulp and paperboard produced by the Company's pulp and paperboard mills, and the tons of finished product shipped by the mills and factories to customers:

| | Tons produced in Mills | Tons Finished Product Shipped |
|----------------|------------------------|-------------------------------|
| 1943 | 537,076 | 598,918 |
| 1944 | 523,946 | 585,018 |
| 1945 | 534,131 | 597,267 |
| 1946 | 558,621 | 624,126 |
| 1947 | 589,780 | 675,583 |
| 1948 | 617,936 | 725,798 |
| 1949 | 556,854 | 673,038 |
| 1950 | 693,960 | 863,888 |
| 1951 | 745,246 | 914,861 |
| 1952 | 685,886 | 833,536 |

The tons of finished product shipped in 1952 again exceeded tons produced in the Company's mills because of paperboard purchased from outside sources.

REFORESTATION. During 1952 your Company acquired an additional 30,515 acres of timberland by purchases, cutting rights and leases, which brings the combined total under control to 153,515 acres.

Fire damage to the Company's controlled timberlands was again nominal due to excellent and very effective fire protection methods pursued by its forestry department. Fire lines and roads were maintained and extended for better fire protection and logging. There are now some 600 miles of fire lines and 75 miles of road.

During the year 3,000,000 pine seedlings were purchased and distributed through various organizations, such as 4-H Clubs, Future Farmers of America, and small wood farmers of the immediate area. About one third of the seedlings were planted on Company owned lands during the year.

Since 1940, 7,000,000 seedlings have been planted on owned timberlands and 15,000,000 seedlings have been distributed to organizations such as those mentioned above. It is estimated that within twenty years from date of planting, seedlings will be mature trees ready for cutting.

As so much of the Company's timberland areas are now fenced, and as they include a considerable amount of good



1



2



3

1. The planting of pine seedlings on vacant land is part of a Company program of reforestation which has been in effect since 1940.

2. A stand of six year old trees is about ten feet high.

3. In twelve years the trees are at least twenty-five feet high.

4. In twenty years the trees should be about thirty-five feet high and ready for harvesting as pulpwood.



4

pasture, it was considered desirable to purchase some cattle which would graze and help keep down the brush in the timberlands, and at the same time put on some good gains in weight. At the end of the year, the Company owned 275 head of cattle. In spite of the sharp decline in beef prices, there is an unrealized profit in the cattle account.

SALES

Consolidated sales for last year amounted to \$178,408,152 compared with \$212,562,019 for the preceding year, a decrease of 16%. There occurred an approximate 5% decrease in the composite average selling price of the various products of the Company. The tabulation below indicates the sales of fabricated products compared to total sales:

| | | |
|---|-----------------------------|--------------------|
| Corrugated and solid fibre shipping containers..... | \$ 96,361,992 | 54% |
| Folding cartons and fibre cans..... | 53,399,212 | 30 |
| Total fabricated products..... | \$149,761,204 | 84% |
| Paperboard, pulp and waste paper..... | 28,646,948 | 16 |
| Total sales..... | <u><u>\$178,408,152</u></u> | <u><u>100%</u></u> |

The growing trend of expanding supermarket sales in food products and miscellaneous merchandise for home use has created further increased demands on the package research and design departments. Many new types of packages have been designed which combine different items (such as knives, forks and spoons) in the same display and which have increased the unit of sale to the purchaser. A similar example may be seen in the case of can bands and carry-outs for beer and other beverages, whereby the consumer can carry more conveniently three, six, or more cans in one package; see illustrations.

A great number of textile products are now being sold in attractively designed folding cartons, which help stimulate sales. Several of these designs created by Container Corporation's package research laboratories received prizes in a national competition. There were 2,700 entries in this particular contest. The Company was awarded 21 out of 102 prizes offered. Illustrations of pre-packaged textile products appear on page 19.

Further interesting developments in container packaging were the corrugated container for bulk ice cream, replacing the round can and a self-locking solid fibre container for the storage and shipping of frozen turkeys. Substantial expansion in the use of fibre and corrugated shipping containers in the field of heavy appliances took place; these included washing machines, stoves, lawn mowers, rubber hose, small snow plows, television sets, and scores of larger items.



The growth of the frozen food industry has required the development of more and better packages for storage, transportation, and retail merchandising of its products; many rather unique containers and cartons have been developed for all manner of frozen food items, including vegetables, fruits, and berries.

Over the past half century, with only minor interruptions, there has been a steady growth in the use of paperboard containers and folding cartons. It seems entirely likely that this expansion of use will continue throughout the foreseeable future. There are three good reasons why it should: (1) present customers are expanding their volume with the growth of population and consequently will require more and more containers to ship and protect their product from point of production to point of consumption; examples of this are the food, soap, tobacco, and wearing apparel industries; (2) some large potential customers are still found in entire industries which are only now beginning to use paperboard containers in substitution for barrels and crates; examples are the producers of citrus and non-citrus fruits and vegetables; (3) as new products come into use, increased demands upon packaging are made; examples of this group are new mechanical household products, television sets, newly discovered medicines, etc.

The Color Harmony Manual referred to in the Annual Report of 1950 is continuing to enjoy more extensive use year after year. It is extremely helpful in scientifically matching colors.



Above, colorful cartons, can bands and carry-outs, produced by folding carton factories of the Company.

Right, filling Company developed corrugated containers with bulk ice cream.

Below, solid fibre container for the shipment of frozen turkeys.





New machine for gluing cartons at the Fort Worth folding carton factory.





The packaging of blankets, towels and similar goods for retail sale requires unusually large folding cartons which lend themselves to the printing of attractive designs.

Every manufacturer who uses packages expects them to represent effectively the quality of his merchandise.

Left, typical production of mass-market folding cartons, some with cellophane windows, some for counter display.

Below, specially designed display carton which increased unit sales.





Kraft paper bags and corrugated containers produced by Carton de Colombia.

By this time the number of industrial and merchandising firms, laboratories, schools, universities, and individuals that are owners of Color Harmony Manuals is close to 2,500. Also, an ever growing list of individuals and firms in foreign countries own one or more of these unique Manuals.

SUBSIDIARY AND AFFILIATED COMPANIES

The subsidiary companies, all of which are wholly owned, are the following:

O. B. Andrews Company
 California Container Corporation
 Pioneer Paper Stock Company
 Sefton Fibre Can Company

FOREIGN INVESTMENTS. Carton de Colombia, S. A., 50% owned by your Company and 50% by Colombians, experienced a satisfactory year. To provide some of the funds for the erection of the new kraft bag paper mill and bag factory, some local borrowings were made, and the interest on this money without any benefit of production from the incomPLETED installation reduced earnings somewhat. Toward the end of the year this new mill was put into operation; the bag factory had been operating most of the year. The new mill and bag factory will add substantially to the capacity and diversification of the Colombian operations. The mill will have a wide range of products but will specialize in kraft bag and wrapping paper, although it will also be able to produce .009 corrugating medium needed in the corrugated container factory.

Cartoenvases de Mexico, S. A., also 50% owned by your Company and 50% by residents of Mexico, had a good year both in sales volume and in profits. The quality and appearance of the folding cartons produced in this affiliate are continually improving. Illustrations of the Mexican Company's product, as well as of the Colombian, appear on pages 20 and 21.

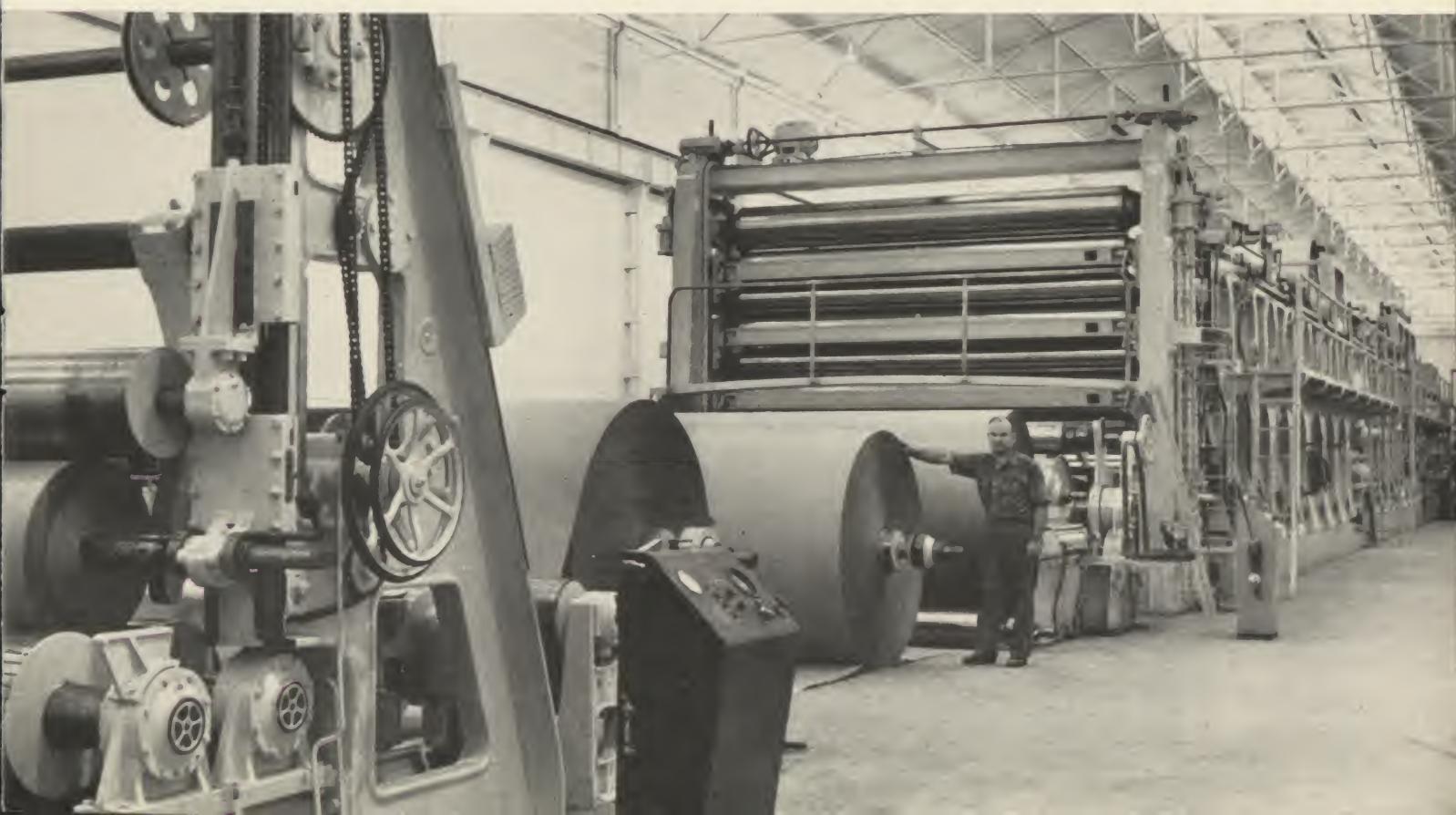
INDUSTRY CONDITIONS

The paperboard industry operated at 85% of capacity and produced 11,067,000 tons compared with 94% operations and 11,854,000 tons of production in 1951. The decrease in tons was 6.6%, while the decrease in the percent of capacity operated was slightly greater because of the existence of more capacity.

In the container industry unit shipments for the year were 73.9 billion square feet, a decrease of 4.8% from 77.6 billion in the previous year.



Wide variety of size and use is indicated in samples of folding carton production from Carton de Colombia and Cartoenvases de Mexico. The mill erected in Colombia for the production of kraft bag and wrapping paper as well as corrugating medium.



The folding carton industry consumed 2,365,000 tons of boxboard, a decrease in consumption of 7.5% from the previous year.

It is estimated that 544,000 tons of new paperboard machine capacity had come on the line by the close of 1952. There were also improvements to existing machines which provided additional capacity of about 189,000 tons. Consequently, the combined total of new production and increase to old production was 733,000 tons.

Future capacity increases of approximately 1,300,000 tons are now under construction and may be finished by the end of 1954. Some of these increases are in containerboard and some in boxboard.

EMPLOYEE RELATIONS

Labor relations continue to be satisfactory; there was only one minor work interruption during the year. The Company has 64 separate union contracts.

At the end of the year approximately 11,960 men and women were in the employ of the Company.

About 550 employees are in the armed services; to each of these a check was sent at Christmas time.

There was an improvement in the Company's safety record. The Greensboro Folding Carton factory established a new world record in its field by having concluded 42 months of operations without a lost-time accident. Four other operations were without a lost-time accident for the whole year.

RETIREMENT ANNUITY PLAN. This plan, in effect since January 1, 1941, has enrolled in it about 90% of all the employees eligible to participate. The combined employee and Company contributions for the year 1952 aggregated \$2,446,435; of this amount the employees contributed \$978,574 and the Company \$1,467,861. Contributions by and on account of executive officers were 2.1%, while 97.9% was contributed by and on account of all other employees.

MANAGEMENT PROFIT SHARING PLAN. Under this plan, which was approved at the Annual Shareholders' meeting in 1940, a total of \$3,953,683 could have been paid for the year 1952. However, the non-participating directors responsible for the final determination of payments under the plan concluded that the amount to be distributed should be limited to \$487,130, compared with \$547,600 for the previous year. Distributions authorized were as follows: 16.4% to the Chairman of the Board, 8.7% to the President, 16.0% total to the two Executive Vice Presidents, 17.6% to five Vice Presidents, and 41.3% to other salaried employees, including the Secretary, the Treasurer, and the Controller.

CONTAINER COMMON STOCK BONUS PLAN. Company contributions to the Common Stock Plan in 1952 amounted to \$783,464. There were at the end of the year 1094 employee members. The Fund owned 18,832 shares of the total outstanding common stock of the Company, or slightly less than one percent.



Multi-shaped packages with metal or paperboard ends typical of Sefton Fibre Can production.



Piqua, Ohio, plant completed early in 1952 for the Sefton Fibre Can Company. At present shell containers for the Army constitute the principal output.

Great Ideas of Western Man... ONE OF A SERIES



Artist: Lemuel B. Line

MONTESQUIEU on the duty of a citizen



The tyranny of a prince in an oligarchy is not so dangerous
to the public welfare as the apathy of a citizen in a democracy.

(Spirit of the Laws, 1748)



CONTAINER CORPORATION OF AMERICA

ORGANIZATION

Mr. Leo H. Schoenhofen, who has been with the Company since 1940, was elected Vice President with headquarters at Philadelphia. He succeeds Mr. James E. Purvis, Vice President who resigned on July 15, 1952.

In November, Mr. John G. Robinson, Vice President of the parent Company in the Chicago office, was elected Vice Chairman and resident Chief Executive of California Container Corporation with headquarters in the San Francisco office. Mr. Robinson retains the office of Vice President of Container Corporation; he has been with the Company since 1930.

Mr. Donald H. Brewer formerly Vice President of the O. B. Andrews Company was elected Vice President to assume new and broader responsibilities in the Chicago office. Mr. Brewer has been with the Company since 1934.

Mr. William M. O'Malley, Treasurer of the O. B. Andrews Company was also elected First Vice President of that company.

With deep regret are recorded the deaths of two valued members of the Board of Directors and of the Executive Committee.

Mr. William P. Jeffery of New York died on October 31, 1952. He had been a director of the Company since 1931. Mr. Jeffery was a lawyer, and his legal as well as his business counsel has been of great value to the Company.

Mr. William R. Basset of Greenwich, a member of the Board of Directors since 1931, passed away on January 9, 1953. Mr. Basset had wide experience in all phases of corporate management. His wisdom and guidance will be sorely missed.

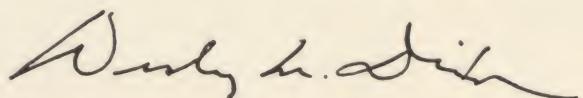
The loss of these two able and long-time associates is a great one. It appeared inadvisable to attempt to suggest new directors hurriedly. Your Board of Directors felt that under the circumstances it would be advisable to amend the by-laws and decrease the number of directors from ten to eight. This was done at the Board of Directors' meeting of January 16, 1953. This problem will be studied with great care and deliberation.

In behalf of the Board of Directors, appreciation is expressed to all members of the organization, in the factories and in the offices, for the conscientious, intelligent discharge of their respective duties in the interests of the Company.

Cordially,



Chairman of the Board



President

One of the continuing series of advertisements which illustrate the theme "Great Ideas of Western Man."

CONTAINER CORPORATION OF AMERICA
COMPARATIVE CONSOLIDATED BALANCE SHEETS—
ASSETS

| | 1952 | 1951 |
|--|---------------------|---------------------|
| CURRENT ASSETS: | | |
| Cash..... | \$ 6,912,393 | \$ 7,208,535 |
| U. S. Government securities, at cost, plus accrued interest..... | 8,288,198 | 3,059,559 |
| Accounts receivable, less reserves of \$320,537 in 1952 and \$275,636 in 1951 | 8,619,054 | 8,559,391 |
| Inventories of finished goods, work in process, raw materials and supplies —priced at the lower of average cost or market..... | 12,100,069 | 11,688,373 |
| Total current assets..... | <u>\$35,919,714</u> | <u>\$30,515,858</u> |
| INVESTMENTS AND ADVANCES, at cost: | | |
| Investments and advances to foreign subsidiaries not consolidated..... | \$ 1,450,000 | \$ 1,350,000 |
| Other..... | 265,726 | 311,084 |
| | <u>\$ 1,715,726</u> | <u>\$ 1,661,084</u> |
| CASH AND U. S. GOVERNMENT SECURITIES SET ASIDE FOR IMPROVEMENTS... | \$ 428,552 | \$ 3,007,331 |
| PLANT AND EQUIPMENT —stated at amounts (based in part on appraisals) recorded at dates of acquisition of properties (including properties acquired for capital stock), plus subsequent additions at cost: | | |
| | Gross | Reserves |
| Land..... | \$ 4,350,340 | \$ — |
| Buildings..... | 15,680,009 | 6,007,413 |
| Machinery, equipment, etc..... | 51,432,762 | 24,062,233 |
| Leasehold and leasehold improvements... | 7,805,191 | 5,184,468 |
| | <u>\$79,268,302</u> | <u>\$35,254,114</u> |
| PREPAID AND DEFERRED CHARGES... | \$ 2,712,523 | \$ 1,754,186 |
| GOODWILL AND PATENTS... | \$ — | \$ — |
| | <u>\$84,790,704</u> | <u>\$79,426,342</u> |

A N D S U B S I D I A R Y C O M P A N I E S

DECEMBER 31, 1952 AND DECEMBER 31, 1951

LIABILITIES

| | 1952 | 1951 |
|--|---------------------|---------------------|
| CURRENT LIABILITIES: | | |
| Accounts payable..... | \$ 2,016,989 | \$ 1,580,387 |
| Accrued liabilities— | | |
| Salaries, wages and compensation provisions..... | 3,150,432 | 2,621,505 |
| Taxes, other than Federal taxes on income..... | 1,398,128 | 1,440,449 |
| Other..... | 76,601 | 82,728 |
| Dividends payable on preferred stock..... | 91,330 | 91,550 |
| Sinking fund payable on preferred stock..... | 337,995 | 55,825 |
| Provision for Federal taxes on income of \$22,435,957 in 1952 and \$27,090,251 in 1951 less an equivalent amount of United States Treasury Notes each year..... | — | — |
| Total current liabilities..... | <u>\$ 7,071,475</u> | <u>\$ 5,872,444</u> |
| CAPITAL: | | |
| 4% cumulative preferred stock, \$100 par value; authorized and issued 100,000 shares, less 6,000 shares retired by sinking fund..... | \$ 9,400,000 | \$ 9,400,000 |
| Common stock, \$10 par value; authorized 3,000,000, issued 1,980,948... | 19,809,480 | 19,809,480 |
| Shareholders' investment in excess of par value | 3,829,851 | 3,829,851 |
| Earnings retained for requirements of the business (earned surplus) (\$8,921,481 is restricted as to cash dividend payments on common stock) | <u>45,284,893</u> | <u>40,815,392</u> |
| Deduct—Cost of 2,670 shares of 4% cumulative preferred stock held in treasury and provision of \$337,995 for sinking fund on preferred stock at December 31, 1952..... | <u>\$78,324,224</u> | <u>\$73,854,723</u> |
| | 604,995 | 300,825 |
| | <u>\$77,719,229</u> | <u>\$73,553,898</u> |
| | <u>\$84,790,704</u> | <u>\$79,426,342</u> |

C O N T A I N E R C O R P O R A T I O N O F A M E R I C A
A N D S U B S I D I A R Y C O M P A N I E S

STATEMENTS OF CONSOLIDATED INCOME
FOR THE YEARS ENDED DECEMBER 31, 1952 AND 1951

| | 1952 | 1951 |
|--|---------------|---------------|
| NET SALES..... | \$178,408,152 | \$212,562,019 |
| COST OF SALES..... | 137,282,965 | 165,327,034 |
| Gross income from operations | \$ 41,125,187 | \$ 47,234,985 |
| SELLING, ADMINISTRATIVE AND GENERAL EXPENSES | 11,632,175 | 10,901,566 |
| Income from operations (after depreciation and depletion provision of \$3,668,041 in 1952 and \$3,543,809 in 1951) .. | \$ 29,493,012 | \$ 36,333,419 |
| OTHER INCOME, net..... | 889,936 | 782,578 |
| Balance before taxes on income..... | \$ 30,382,948 | \$ 37,115,997 |
| PROVISION FOR FEDERAL TAXES ON INCOME— | | |
| Normal and surtax | \$ 15,900,000 | \$ 18,823,000 |
| Excess profits tax..... | 4,200,000 | 6,227,000 |
| | \$ 20,100,000 | \$ 25,050,000 |
| Net income for year..... | \$ 10,282,948 | \$ 12,065,997 |

STATEMENT OF EARNINGS RETAINED FOR REQUIREMENTS OF THE BUSINESS
FOR THE YEAR ENDED DECEMBER 31, 1952

| | |
|---|---------------------|
| BALANCE, DECEMBER 31, 1951..... | \$40,815,392 |
| NET INCOME FOR YEAR | 10,282,948 |
| | <u>\$51,098,340</u> |
| CASH DIVIDENDS DECLARED: | |
| Preferred stock (\$4.00 per share)..... | \$ 365,840 |
| Common stock (\$2.75 per share)..... | 5,447,607 |
| | <u>\$ 5,813,447</u> |
| BALANCE, DECEMBER 31, 1952 (\$8,921,481 is restricted as to cash dividend payments on common stock)..... | <u>\$45,284,893</u> |

ARTHUR ANDERSEN & Co.

120 SOUTH LA SALLE STREET
CHICAGO 3

To the Shareholders of

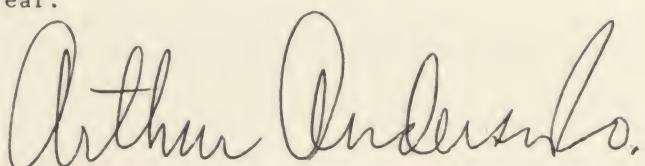
Container Corporation of America:

We have examined the consolidated balance sheet of CONTAINER CORPORATION OF AMERICA (a Delaware corporation) and subsidiaries as of December 31, 1952, and the related statements of consolidated income and earnings retained for requirements of the business for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. We made a similar examination for the year ended December 31, 1951.

In our opinion, the accompanying consolidated balance sheet and statements of consolidated income and earnings retained for requirements of the business present fairly the financial position of Container Corporation of America and subsidiaries as of December 31, 1952, and the results of their operations for the year then ended, and were prepared in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Chicago, Illinois,

February 4, 1953.



RAW MATERIALS

PROCESSING

MILLS



PULP WOOD FROM THE FORESTS



WASTE PAPER FROM THE CITIES

FERNANDINA



ATLANTA

BALTIMORE

CHICAGO

DETROIT

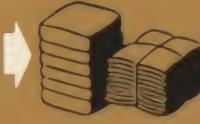
KALAMAZOO

PHILADELPHIA

STRAW FROM THE FARMS



PULP AND PAPERSTOCK



CHATTANOOGA

CHICAGO-OGDEN

CHICAGO-LAKE SHORE

CINCINNATI

FERNANDINA

LOS ANGELES

PHILADELPHIA

TACOMA

WABASH

WILMINGTON

CARTHAGE

CIRCLEVILLE

SOURCES AND FLOW OF PRIMARY MATERIALS THROUGH MILLS

**CONTAINER CORPORATION OF AMERICA AND
CONSOLIDATED YEAR-END BALANCE SHEETS FOR TWELVE YEAR
ASSETS**

| | 1952 | 1951 | 1950 | 1949 | 1948 |
|--|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Cash and U. S. Government securities... | \$15,200,591 | \$10,268,094 | \$ 7,456,055 | \$13,085,746 | \$ 9,758,037 |
| Accounts and notes receivable..... | 8,619,054 | 8,559,391 | 9,733,435 | 4,709,071 | 4,918,005 |
| Inventories..... | 12,100,069 | 11,688,373 | 11,924,620 | 7,334,972 | 8,630,364 |
| Total current assets..... | \$35,919,714 | \$30,515,858 | \$29,114,110 | \$25,129,789 | \$23,306,406 |
| Cash and U. S. Government securities set aside for improvements..... | 428,552 | 3,007,331 | 3,500,000 | 4,000,000 | 4,350,000 |
| Postwar excess profits tax refund..... | — | — | — | — | — |
| Other receivables and investments..... | 1,715,726 | 1,661,084 | 1,286,187 | 1,031,307 | 1,273,932 |
| Land..... | 4,350,340 | 4,605,894 | 4,598,890 | 4,127,968 | 4,050,794 |
| Buildings, machinery and equipment..... | 74,917,962 | 69,663,809 | 63,186,670 | 57,704,750 | 52,725,650 |
| Reserve for depreciation..... | 35,254,114 | 31,781,821 | 28,681,919 | 26,017,667 | 23,728,028 |
| Deferred charges..... | 2,712,523 | 1,754,186 | 1,121,376 | 1,036,349 | 1,188,846 |
| Goodwill and patents | 1 | 1 | 1 | 1 | 1 |
| | <u>\$84,790,704</u> | <u>\$79,426,342</u> | <u>\$74,125,315</u> | <u>\$67,012,497</u> | <u>\$63,167,601</u> |

LIABILITIES

| | | | | | |
|---|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Accounts payable..... | \$ 2,016,989 | \$ 1,580,387 | \$ 3,060,885 | \$ 1,811,759 | \$ 1,910,061 |
| Accrued wages, taxes, etc..... | 4,625,161 | 4,144,682 | 3,038,213 | 2,307,768 | 2,548,978 |
| Provision for Federal taxes on income..... | —* | —* | —* | —* | —* |
| Dividends payable..... | 91,330 | 91,550 | 97,190 | 98,050 | 98,900 |
| Sinking fund payments due within a year..... | 337,995 | 55,825 | 323,785 | 106,575 | — |
| Total current liabilities..... | \$ 7,071,475 | \$ 5,872,444 | \$ 6,520,073 | \$ 4,324,152 | \$ 4,557,939 |
| Funded debt..... | — | — | — | — | — |
| Reserve for contingencies..... | — | — | — | 955,190 | 1,110,522 |
| Capital: | | | | | |
| Preferred stock..... | 9,400,000 | 9,400,000 | 10,000,000 | 10,000,000 | 10,000,000 |
| Common stock..... | 19,809,480 | 19,809,480 | 19,809,480 | 19,809,480 | 19,809,480 |
| Investment in excess of par value..... | 3,829,851 | 3,829,851 | 3,829,851 | 3,829,851 | 3,829,851 |
| Earnings reinvested..... | 45,284,893 | 40,815,392 | 34,563,052 | 28,384,753 | 23,962,511 |
| Sinking fund for retirement of preferred stock..... | 604,995 | 300,825 | 597,141 | 290,929 | 102,702 |
| | <u>\$84,790,704</u> | <u>\$79,426,342</u> | <u>\$74,125,315</u> | <u>\$67,012,497</u> | <u>\$63,167,601</u> |
| *Provision for Federal taxes on income..... | \$22,435,957 | \$27,090,251 | \$12,585,392 | \$7,141,293 | \$7,596,493 |
| Less U. S. Treasury Notes..... | 22,435,957 | 27,090,251 | 12,585,392 | 7,141,293 | 7,596,493 |
| | — | — | — | — | — |

| | | | | | |
|----------------------------------|--------------|--------------|--------------|--------------|--------------|
| Shareholders' investment | \$77,719,229 | \$73,553,898 | \$67,605,242 | \$61,733,155 | \$57,499,140 |
| Investment per common share..... | \$34.79 | \$32.54 | \$29.38 | \$26.27 | \$24.03 |
| Working capital..... | \$28,848,239 | \$24,643,414 | \$22,594,037 | \$20,805,637 | \$18,748,467 |
| Current ratio..... | 5.08 to 1 | 5.20 to 1 | 4.47 to 1 | 5.81 to 1 | 5.11 to 1 |

Note—Italics denote red figures.

S U B S I D I A R Y C O M P A N I E S
P E R I O D E N D E D D E C E M B E R 3 1, 1 9 5 2

| 1947 | 1946 | 1945 | 1944 | 1943 | 1942 | 1941 |
|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| \$ 7,281,531 | \$ 6,050,656 | \$ 5,612,054 | \$ 2,977,153 | \$ 1,946,896 | \$ 1,501,933 | \$ 1,249,665 |
| 6,180,152 | 5,115,371 | 3,081,785 | 2,809,884 | 2,913,481 | 2,380,611 | 3,108,880 |
| 9,270,857 | 6,136,154 | 4,529,376 | 3,737,137 | 3,481,416 | 3,199,667 | 4,340,712 |
| \$22,732,540 | \$17,302,181 | \$13,223,215 | \$ 9,524,174 | \$ 8,341,793 | \$ 7,082,211 | \$ 8,699,257 |
| 6,000,000 | 4,000,000 | — | — | — | — | — |
| — | — | — | 1,720,834 | 1,010,834 | 361,000 | — |
| 1,317,990 | 1,596,964 | 1,324,789 | 864,472 | 76,143 | 135,134 | 367,664 |
| 3,827,846 | 3,717,904 | 3,549,668 | 3,551,231 | 3,569,681 | 3,583,906 | 3,599,118 |
| 45,853,731 | 34,758,138 | 29,122,070 | 27,867,623 | 26,972,366 | 26,361,566 | 25,864,025 |
| 21,885,495 | 19,284,987 | 17,173,036 | 15,918,586 | 14,573,515 | 13,269,224 | 11,952,714 |
| 786,845 | 803,285 | 482,755 | 508,991 | 446,918 | 283,175 | 227,151 |
| — | — | — | — | — | — | — |
| \$58,633,458 | \$42,893,486 | \$30,529,462 | \$28,118,740 | \$25,844,221 | \$24,537,769 | \$26,804,502 |
| — | — | — | — | — | — | — |
| \$ 3,019,510 | \$ 2,037,779 | \$ 2,309,871 | \$ 1,462,096 | \$ 849,217 | \$ 1,154,353 | \$ 1,321,396 |
| 2,370,144 | 2,184,104 | 1,835,630 | 1,426,907 | 1,256,587 | 1,048,981 | 1,118,470 |
| —* | —* | —* | —* | —* | —* | 360,070* |
| 100,000 | — | — | — | — | — | — |
| — | — | — | — | — | — | — |
| \$ 5,489,654 | \$ 4,221,883 | \$ 4,145,501 | \$ 2,889,003 | \$ 2,105,804 | \$ 2,203,334 | \$ 2,799,936 |
| — | — | — | — | — | — | 2,900,000 |
| 1,110,522 | 2,000,000 | 1,400,000 | 1,100,000 | 500,000 | — | — |
| 10,000,000 | — | — | — | — | — | — |
| 19,809,480 | 19,809,480 | 15,625,060 | 15,625,060 | 15,625,060 | 15,625,060 | 15,625,060 |
| 3,829,851 | 3,829,851 | 671,494 | 671,494 | 671,494 | 671,494 | 671,494 |
| 18,393,951 | 13,032,272 | 8,687,407 | 7,833,183 | 6,941,863 | 6,037,881 | 4,808,012 |
| — | — | — | — | — | — | — |
| \$58,633,458 | \$42,893,486 | \$30,529,462 | \$28,118,740 | \$25,844,221 | \$24,537,769 | \$26,804,502 |
| — | — | — | — | — | — | — |
| \$7,835,425 | \$7,266,403 | \$8,080,442 | \$9,896,997 | \$9,218,820 | \$6,878,426 | \$4,564,790 |
| 7,835,425 | 7,266,403 | 8,080,442 | 9,896,997 | 9,218,820 | 6,878,426 | 4,204,720 |
| — | — | — | — | — | — | \$ 360,070 |
| — | — | — | — | — | — | — |
| \$52,033,282 | \$36,671,603 | \$24,983,961 | \$24,129,737 | \$23,238,417 | \$22,334,435 | \$21,104,566 |
| \$21.22 | \$18.51 | \$15.99 | \$15.44 | \$14.87 | \$14.29 | \$13.51 |
| \$17,242,886 | \$13,080,298 | \$ 9,077,714 | \$ 6,635,171 | \$ 6,235,989 | \$ 4,878,877 | \$ 5,899,321 |
| 4.14 to 1 | 4.10 to 1 | 3.19 to 1 | 3.30 to 1 | 3.96 to 1 | 3.21 to 1 | 3.11 to 1 |

**CONTAINER CORPORATION OF AMERICA AND
CONSOLIDATED INCOME STATEMENTS FOR TWELVE YEAR PERIOD**

| | 1952 | 1951 | 1950 | 1949 | 1948 |
|---|---------------|---------------|---------------|---------------|---------------|
| Sales..... | \$178,408,152 | \$212,562,019 | \$154,841,198 | \$114,770,627 | \$131,056,327 |
| Cost of sales..... | 133,704,577 | 161,894,529 | 120,920,688 | 89,826,767 | 104,282,979 |
| Gross earnings..... | \$ 44,703,575 | \$ 50,667,490 | \$ 33,920,510 | \$ 24,943,860 | \$ 26,773,348 |
| Provision for depreciation..... | 3,578,388 | 3,432,505 | 2,953,163 | 2,650,180 | 2,433,370 |
| Gross earnings from operations.. | \$ 41,125,187 | \$ 47,234,985 | \$ 30,967,347 | \$ 22,293,680 | \$ 24,339,978 |
| Selling, administrative, and general expenses..... | 11,632,175 | 10,901,566 | 8,922,520 | 7,936,829 | 7,585,901 |
| Earnings from operations..... | \$ 29,493,012 | \$ 36,333,419 | \$ 22,044,827 | \$ 14,356,851 | \$ 16,754,077 |
| Other income and <i>deductions</i> , net.... | 889,936 | 782,578 | 651,799 | 395,477 | 236,516 |
| Earnings before interest and Federal taxes on income..... | \$ 30,382,948 | \$ 37,115,997 | \$ 22,696,626 | \$ 14,752,328 | \$ 16,990,593 |
| Interest charges, etc..... | — | — | — | — | — |
| Earnings before Federal taxes on income..... | \$ 30,382,948 | \$ 37,115,997 | \$ 22,696,626 | \$ 14,752,328 | \$ 16,990,593 |
| Provision for Federal taxes on income | 20,100,000 | 25,050,000 | 10,680,000 | 5,975,000 | 6,566,000 |
| Net earnings for the year..... | \$ 10,282,948 | \$ 12,065,997 | \$ 12,016,626 | \$ 8,777,328 | \$ 10,424,593 |
| Provision for contingencies reserve.. | — | — | — | — | — |
| Balance to earnings reinvested.. | \$ 10,282,948 | \$ 12,065,997 | \$ 12,016,626 | \$ 8,777,328 | \$ 10,424,593 |
| Earnings per share: | | | | | |
| Preferred stock..... | \$112.59 | \$131.80 | \$123.64 | \$ 89.52 | \$105.41 |
| Common stock..... | \$ 5.01 | \$ 5.91 | \$ 5.87 | \$ 4.23 | \$ 5.06 |

RECORD OF DIVIDENDS AND INTEREST PAID ON FUNDED DEBT

Dividends:

| | | | | | |
|----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Preferred stock..... | \$ 365,840 | \$ 366,050 | \$ 390,720 | \$ 393,190 | \$ 398,900 |
| Common stock..... | 5,447,607 | 5,447,607 | 5,447,607 | 3,961,896 | 4,457,133 |
| Total dividends..... | <u>\$ 5,813,447</u> | <u>\$ 5,813,657</u> | <u>\$ 5,838,327</u> | <u>\$ 4,355,086</u> | <u>\$ 4,856,033</u> |

**Interest paid on funded debt.....

| | | | | | |
|-----------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Total dividends and interest..... | <u>\$ 5,813,447</u> | <u>\$ 5,813,657</u> | <u>\$ 5,838,327</u> | <u>\$ 4,355,086</u> | <u>\$ 4,856,033</u> |
|-----------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|

Dividends per share:

| | | | | | |
|----------------------|---------|---------|---------|---------|---------|
| Preferred stock..... | \$ 4.00 | \$ 4.00 | \$ 4.00 | \$ 4.00 | \$ 4.00 |
| Common stock..... | \$ 2.75 | \$ 2.75 | \$ 2.75 | \$ 2.00 | \$ 2.25 |

*Paid on preferred stock issues of subsidiary companies. Such issues were retired in 1946.

**On basis of cash payments made. This differs slightly from accrual basis used on profit and loss statement.

S U B S I D I A R Y C O M P A N I E S

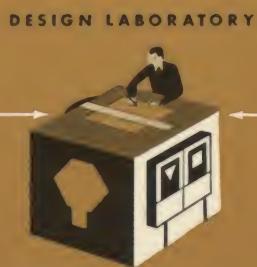
ENDED DECEMBER 31, 1952

| 1947 | 1946 | 1945 | 1944 | 1943 | 1942 | 1941 | Total |
|----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|
| \$128,345,675 | \$91,090,286 | \$74,138,191 | \$69,641,096 | \$61,163,685 | \$49,533,239 | \$46,714,221 | \$1,312,264,716 |
| 102,475,747 | 71,246,408 | 59,589,990 | 53,830,458 | 46,206,565 | 36,668,926 | 35,548,267 | 1,016,195,901 |
| \$ 25,869,928 | \$19,843,878 | \$14,548,201 | \$15,810,638 | \$14,957,120 | \$12,864,313 | \$11,165,954 | \$ 296,068,815 |
| 1,715,774 | 1,493,346 | 1,435,464 | 1,481,306 | 1,421,460 | 1,411,499 | 1,307,975 | 25,314,430 |
| \$ 24,154,154 | \$18,350,532 | \$13,112,737 | \$14,329,332 | \$13,535,660 | \$11,452,814 | \$ 9,857,979 | \$ 270,754,385 |
| 6,872,580 | 5,317,302 | 4,496,451 | 4,025,746 | 3,412,501 | 3,016,086 | 2,953,587 | 77,073,244 |
| \$ 17,281,574 | \$13,033,230 | \$ 8,616,286 | \$10,303,586 | \$10,123,159 | \$ 8,436,728 | \$ 6,904,392 | \$ 193,681,141 |
| 307,971 | 102,331 | 399,817 | 209,613 | 260,895 | 181,652 | 69,679 | 3,732,964 |
| \$ 16,973,603 | \$13,135,561 | \$ 9,016,103 | \$10,513,199 | \$10,384,054 | \$ 8,618,380 | \$ 6,834,713 | \$ 197,414,105 |
| — | — | — | — | — | 36,632 | 92,536 | 129,168 |
| \$ 16,973,603 | \$13,135,561 | \$ 9,016,103 | \$10,513,199 | \$10,384,054 | \$ 8,581,748 | \$ 6,742,177 | \$ 197,284,937 |
| 6,700,000 | 5,370,000 | 6,690,000 | 7,850,000 | 7,700,000 | 6,180,000 | 4,415,000 | 113,276,000 |
| \$ 10,273,603 | \$ 7,765,561 | \$ 2,326,103 | \$ 2,663,199 | \$ 2,684,054 | \$ 2,401,748 | \$ 2,327,177 | \$ 84,008,937 |
| — | 600,000 | 300,000 | 600,000 | 500,000 | — | — | 2,000,000 |
| \$ 10,273,603 | \$ 7,165,561 | \$ 2,026,103 | \$ 2,063,199 | \$ 2,184,054 | \$ 2,401,748 | \$ 2,327,177 | \$ 82,008,937 |
| \$102.74 | \$ 3.62 | \$ 1.30 | \$ 1.32 | \$ 1.40 | \$ 1.54 | \$ 1.49 | |
| \$ 5.05 | | | | | | | |

FOR TWELVE YEAR PERIOD ENDED DECEMBER 31, 1952

| | | | | | | | |
|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|
| \$ 344,000 | \$ 4,664* | — | — | — | — | — | \$ 2,263,364 |
| 4,457,133 | 3,218,247 | \$ 1,171,879 | \$ 1,171,879 | \$ 1,171,879 | \$ 1,171,879 | \$ 1,171,879 | 38,296,625 |
| \$ 4,801,133 | \$ 3,222,911 | \$ 1,171,879 | \$ 1,171,879 | \$ 1,171,879 | \$ 1,171,879 | \$ 1,171,879 | \$ 40,559,989 |
| — | — | — | — | — | \$ 37,031 | \$ 91,234 | \$ 128,265 |
| \$ 4,801,133 | \$ 3,222,911 | \$ 1,171,879 | \$ 1,171,879 | \$ 1,171,879 | \$ 1,208,910 | \$ 1,263,113 | \$ 40,688,254 |
| \$ 3.44 | \$ 1.70 | \$.75 | |
| \$ 2.25 | | | | | | | |

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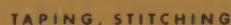
LAMINATING



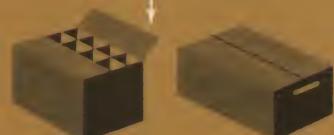
SLOTTING



OR GLUING



SHIPPING CONTAINERS





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